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APPLICATION NO.	FILING DATE	FIRST NAMED INVENTOR	ATTORNEY DOCKET NO.	CONFIRMATION NO.
09/920,514	08/01/2001	Jamie Ader	21178-13	6345

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EXAMINER

LASTRA, DANIEL

ART UNIT	PAPER NUMBER
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3622

DATE MAILED: 12/14/2004

Please find below and/or attached an Office communication concerning this application or proceeding.

Office Action Summary

Application No.

09/920,514

Applicant(s)

ADER ET AL

Examiner

DANIEL LASTRA

Art Unit

3622

-- The MAILING DATE of this communication appears on the cover sheet with the correspondence address --
Period for Reply

A SHORTENED STATUTORY PERIOD FOR REPLY IS SET TO EXPIRE 3 MONTH(S) FROM THE MAILING DATE OF THIS COMMUNICATION.

- Extensions of time may be available under the provisions of 37 CFR 1.136(a). In no event, however, may a reply be timely filed after SIX (6) MONTHS from the mailing date of this communication.
- If the period for reply specified above is less than thirty (30) days, a reply within the statutory minimum of thirty (30) days will be considered timely.
- If NO period for reply is specified above, the maximum statutory period will apply and will expire SIX (6) MONTHS from the mailing date of this communication.
- Failure to reply within the set or extended period for reply will, by statute, cause the application to become ABANDONED (35 U.S.C. § 133). Any reply received by the Office later than three months after the mailing date of this communication, even if timely filed, may reduce any earned patent term adjustment. See 37 CFR 1.704(b).

Status

- 1) ☒ Responsive to communication(s) filed on 03 May 2004.
- 2a) ☐ This action is FINAL. 2b) ☒ This action is non-final.
- 3) ☐ Since this application is in condition for allowance except for formal matters, prosecution as to the merits is closed in accordance with the practice under *Ex parte Quayle*, 1935 C.D. 11, 453 O.G. 213.

Disposition of Claims

- 4) ☒ Claim(s) 1-46 is/are pending in the application.
- 4a) Of the above claim(s) _____ is/are withdrawn from consideration.
- 5) ☐ Claim(s) _____ is/are allowed.
- 6) ☒ Claim(s) 1-46 is/are rejected.
- 7) ☐ Claim(s) _____ is/are objected to.
- 8) ☐ Claim(s) _____ are subject to restriction and/or election requirement.

Application Papers

- 9) ☐ The specification is objected to by the Examiner.
- 10) ☐ The drawing(s) filed on _____ is/are: a) ☐ accepted or b) ☐ objected to by the Examiner.
Applicant may not request that any objection to the drawing(s) be held in abeyance. See 37 CFR 1.85(a).
Replacement drawing sheet(s) including the correction is required if the drawing(s) is objected to. See 37 CFR 1.121(d).
- 11) ☐ The oath or declaration is objected to by the Examiner. Note the attached Office Action or form PTO-152.

Priority under 35 U.S.C. § 119

- 12) ☐ Acknowledgment is made of a claim for foreign priority under 35 U.S.C. § 119(a)-(d) or (f).
- a) ☐ All b) ☐ Some * c) ☐ None of:
- ☐ Certified copies of the priority documents have been received.
 - ☐ Certified copies of the priority documents have been received in Application No. _____.
 - ☐ Copies of the certified copies of the priority documents have been received in this National Stage application from the International Bureau (PCT Rule 17.2(a)).

* See the attached detailed Office action for a list of the certified copies not received.

Attachment(s)

- 1) ☒ Notice of References Cited (PTO-892)
- 2) ☐ Notice of Draftsperson's Patent Drawing Review (PTO-948)
- 3) ☐ Information Disclosure Statement(s) (PTO-1449 or PTO/SB/08)
Paper No(s)/Mail Date _____
- 4) ☐ Interview Summary (PTO-413)
Paper No(s)/Mail Date. _____
- 5) ☐ Notice of Informal Patent Application (PTO-152)
- 6) ☐ Other: _____

DETAILED ACTION

1. Claims 1-46 have been examined. Application 09/920,514 has a filing date 08/01/2001.

Claim Rejections - 35 USC § 101

2. 35 U.S.C. 101 reads as follows:

Whoever invents or discovers any new and useful process, machine, manufacture, or composition of matter, or any new and useful improvement thereof, may obtain a patent therefor, subject to the conditions and requirements of this title.

Claims 1-7 are rejected under 35 U.S.C. 101 because the claimed invention is directed to non-statutory subject matter. Claims 1-7 are not within the technological arts.

As an initial matter, the United States Constitution under Art. I, §8, cl. 8 gave Congress the power to "[p]romote the progress of science and useful arts, by securing for limited times to authors and inventors the exclusive right to their respective writings and discoveries". In carrying out this power, Congress authorized under 35 U.S.C. §101 a grant of a patent to "[w]hoever invents or discovers any new and useful process, machine, manufacture, or composition or matter, or any new and useful improvement thereof." Therefore, a fundamental premise is that a patent is a statutorily created vehicle for Congress to confer an exclusive right to the inventors for "inventions" that promote the progress of "science and the useful arts". The phrase "technological arts" has been created and used by the courts to offer another view of the term "useful arts". See *In re Musgrave*, 167 USPQ (BNA) 280 (CCPA 1970). Hence, the first test of whether an invention is eligible for a patent is to determine if the invention is within the "technological arts".

Further, despite the express language of §101, several judicially created exceptions have been established to exclude certain subject matter as being patentable subject matter covered by §101. These exceptions include "laws of nature", "natural phenomena", and "abstract ideas". See *Diamond v. Diehr*, 450, U.S. 175, 185, 209 USPQ (BNA) 1, 7 (1981). However, courts have found that even if an invention incorporates abstract ideas, such as mathematical algorithms, the invention may nevertheless be statutory subject matter if the invention as a whole produces a "useful, concrete and tangible result." See *State Street Bank & Trust Co. v. Signature Financial Group, Inc.* 149 F.3d 1368, 1973, 47 USPQ2d (BNA) 1596 (Fed. Cir. 1998).

This "two prong" test was evident when the Court of Customs and Patent Appeals (CCPA) decided an appeal from the Board of Patent Appeals and Interferences (BPAI). See *In re Toma*, 197 USPQ (BNA) 852 (CCPA 1978). In *Toma*, the court held that the recited mathematical algorithm did not render the claim as a whole non-statutory using the Freeman-Walter-Abele test as applied to *Gottschalk v. Benson*, 409 U.S. 63, 175 USPQ (BNA) 673 (1972). Additionally, the court decided separately on the issue of the "technological arts". The court developed a "technological arts" analysis:

The "technological" or "useful" arts inquiry must focus on whether the claimed subject matter...is statutory, not on whether the product of the claimed subject matter...is statutory, not on whether the prior art which the claimed subject matter purports to replace...is statutory, and not on whether the claimed subject matter is presently perceived to be an improvement over the prior art, e.g., whether it "enhances" the operation of a machine. *In re Toma* at 857.

In *Toma*, the claimed invention was a computer program for translating a source human language (e.g., Russian) into a target human language (e.g., English). The court found

that the claimed computer implemented process was within the "technological art" because the claimed invention was an operation being performed by a computer within a computer.

The decision in *State Street Bank & Trust Co. v. Signature Financial Group, Inc.* never addressed this prong of the test. In *State Street Bank & Trust Co.*, the court found that the "mathematical exception" using the Freeman-Walter-Abele test has little, if any, application to determining the presence of statutory subject matter but rather, statutory subject matter should be based on whether the operation produces a "useful, concrete and tangible result". See *State Street Bank & Trust Co.* at 1374. Furthermore, the court found that there was no "business method exception" since the court decisions that purported to create such exceptions were based on novelty or lack of enablement issues and not on statutory grounds. Therefore, the court held that "[w]hether the patent's claims are too broad to be patentable is not to be judged under §101, but rather under §§102, 103 and 112." See *State Street Bank & Trust Co.* at 1377. Both of these analysis goes towards whether the claimed invention is non-statutory because of the presence of an abstract idea. Indeed, *State Street* abolished the Freeman-Walter-Abele test used in *Toma*. However, *State Street* never addressed the second part of the analysis, i.e., the "technological arts" test established in *Toma* because the invention in *State Street* (i.e., a computerized system for determining the year-end income, expense, and capital gain or loss for the portfolio) was already determined to be within the technological arts under the *Toma* test. This dichotomy has been recently acknowledged by the Board of Patent Appeals and Interferences (BPAI) in affirming a

§101 rejection finding the claimed invention to be non-statutory. See *Ex parte Bowman*, 61 USPQ2d (BNA) 1669 (BdPatApp&Int 2001).

In the present application, independent claim 1 recites a “useful, concrete and tangible result” (delivering media for customized selection), however the claims recite no structural limitations (i.e., computer implementation), and so they fail the first prong of the test (technological arts). Dependent claims 2-7 do not remedy this situation as no structural limitations are recited.

Claim Rejections - 35 USC § 102

3. The following is a quotation of the appropriate paragraphs of 35 U.S.C. 102 that form the basis for the rejections under this section made in this Office action:

A person shall be entitled to a patent unless –

(e) the invention was described in (1) an application for patent, published under section 122(b), by another filed in the United States before the invention by the applicant for patent or (2) a patent granted on an application for patent by another filed in the United States before the invention by the applicant for patent, except that an international application filed under the treaty defined in section 351(a) shall have the effects for purposes of this subsection of an application filed in the United States only if the international application designated the United States and was published under Article 21(2) of such treaty in the English language.

Claims 1-46 are rejected under 35 U.S.C. 102(e) as being anticipated by Abecassis (U.S. 6,553,178).

As per claim 1, Abecassis teaches:

A method of delivering media for customized selection and pricing from a database having digital format of media stored thereon and available to individual remote users, the method comprising:

providing a selection of media and a selection of advertisement, the selection of media having a variety of prices (see column 4, lines 14-50; column 36, lines 16-60; column 37, lines 11-22; column 46, lines 6-45; column 49, lines 1-25);

selecting media and advertisement based on a desired price for the selected media (see column 36, lines 16-60; column 46, lines 6-45);

selecting a delivery format for the selected media; and delivering the selected media on the delivery format (see column 7, lines 35-42; column 13, lines 35-40; column 47, line 30 – column 48, line 67).

As per claim 2, Abecassis teaches:

The method of claim 1, wherein a plurality of filters, each filter relating to a particular niche category, are used to provide a selection of media (see column 7, line 55 – column 8, line 29; column 9, lines 37-50).

As per claim 3, Abecassis teaches:

The method of claim 1, wherein a plurality of virtual storefronts, each storefront relating to a particular niche category are used to provide a selection of media (see column 7, line 55 – column 8, line 29).

As per claim 4, Abecassis teaches:

The method of claim 1, further comprising providing a selection of media organized by brand and special interest of a remote user (see column 9, lines 39-50; column 15, lines 55-67).

As per claim 5, Abecassis teaches:

The method of claim 1, further comprising allowing an advertiser to register an advertisement (see column 36, lines 16-60; column 47, line 15 – column 48, line 67).

As per claim 6, Abecassis teaches:

The method of claim 5, further comprising allowing the advertiser to establish a price for subsidizing a media selection (see column 36, lines 16-60; column 47, line 15 – column 48, line 67).

As per claim 7, Abecassis teaches:

The method of claim 1, further comprising presenting a selection of pricing opportunities to the remote user (see column 36, lines 27-36; column 47, lines 15-67).

As per claim 8, Abecassis teaches:

A method of providing permission-based advertising, the method comprising:

providing a portal to a remote user via a network (see column 4, lines 14-50; column 7, lines 4-14);

presenting a selection of pricing opportunities to the remote user (see column 36, lines 16-60; column 47, line 30 – column 48, line 67);

presenting a selection of media and a selection of advertisement based on a selected pricing opportunity (see column 36, lines 16-60); and

selecting desired media and advertisement (see column 21, lines 55-67; column 7, lines 35-42).

As per claim 9, Abecassis teaches:

The method of claim 8, further comprising delivering the desired media and advertisements to the remote user (see column 36, lines 16-41).

As per claim 10, Abecassis teaches:

The method of claim 8, wherein a plurality of filters, each filter relating to a particular niche category, are used to provide a selection of media. The same rejection applied to claim 2 is applied to claim 10.

As per claim 11, Abecassis teaches:

The method of claim 8, wherein a plurality of virtual storefronts, each storefront relating to a particular niche category are used to provide a selection of media. The same rejection applied to claim 3 is applied to claim 11.

As per claim 12, Abecassis teaches:

The method of claim 8, further comprising providing a selection of media organized by brand and special interest of a remote user. The same rejection applied to claim 4 is applied to claim 12.

As per claim 13, Abecassis teaches:

The method of claim 11, further comprising creating a network of virtual storefronts of media for each niche category. The same rejection applied to claim 2 is applied to claim 13.

As per claim 14, Abecassis teaches:

The method of claim 11, further comprising identifying exclusive content under a speck brand or niche category (see column 4, lines 9-13).

As per claim 15, Abecassis teaches:

The method of claim 11, further comprising managing the network of virtual storefronts for niche categories by providing the ability to create a filter page from any remote location (see column 15, lines 55-67; column 18, lines 32-37).

As per claim 16, Abecassis teaches:

The method of claim 15, wherein the filter page connects into the network of virtual storefronts to enable media selection within each niche category (see column 15, lines 55-67).

As per claim 17, Abecassis teaches:

The method of claim 16, further comprising accessing the network of virtual storefronts for media selection from any remote location (see column 18, lines 33-37).

As per claim 18, Abecassis teaches:

The method of claim 15, wherein said remote location is a website (see column 7, lines 4-41; column 18, lines 38-45; column 32, lines 9-14).

As per claim 19, Abecassis teaches:

The method of claim 15, wherein said remote location is a television (see column 7, lines 15-20).

As per claim 20, Abecassis teaches:

The method of claim 15, wherein the remote location is a personal digital assistant (see column 7, lines 15-20).

As per claim 21, Abecassis teaches:

The method of claim 15, wherein the remote location is a wireless handheld device telephone (see column 7, lines 15-20).

As per claim 22, Abecassis teaches:

The method of claim 8, further comprising allowing an advertiser to register an advertisement (see column 36, lines 60-67).

As per claim 23, Abecassis teaches:

The method of claim 22, further comprising allowing the advertiser to establish a price for subsidizing a media selection (see column 36, lines 16-60; column 47, line 15 – column 48, line 67).

As per claim 24, Abecassis teaches:

The method of claim 8, further comprising offering a plurality of advertisements to owners of media or content to provide advertisers with a forum for a promotional campaign surrounding the media or content, wherein the media or content owners have the ability to select from the plurality of advertisements to offset costs of marketing and promotions for the media or content (see column 36, lines 26-36; column 37, lines 11-22).

As per claim 25, Abecassis teaches:

A method of providing customized selection of media from a database of media to individual remote users, the method comprising:

providing media for selection by a remote user (see column 4, lines 14-50; column 7, lines 4-14);

providing a network for selecting the media (see column 4, lines 14-50; column 36, lines 16-60);

allowing the remote user to register at least one special interest through said network (see column 9, lines 39-50);

providing a filter of said media using special interests identified by the remote user (see column 15, lines 55-67);

generating a physical medium by automatic authoring of the media selection onto the physical medium and delivering the physical medium to the remote user (see column 7, lines 35-40; column 13, lines 32-40; column 21, lines 55-67; column 31, lines 15-25).

As per claim 26, Abecassis teaches:

A method of customized selection of media from a database of media to individual remote users, the method comprising the steps of:

selecting one or more media by a remote user via a network;

authoring the selected media onto a physical medium and delivering the physical medium to the remote user. The same rejection applied to claim 25 is applied to claim 26.

As per claim 27, Abecassis teaches:

The method of claim 26, wherein the one or more media is localized to a plurality of regions by sub-titling, dubbing, or translation of text to one or more languages (see column 32, lines 35-47; column 36, lines 17-27).

As per claim 28, Abecassis teaches:

The method of claim 26, further comprising storing a digital format of the one or more media in the database (see column 46, lines 7-37).

As per claim 29, Abecassis teaches:

The method of claim 26, wherein the selection of one or more media includes a selection of one or more advertisements (see column 47, lines 30-67).

As per claim 30, Abecassis teaches:

The method of claim 26, further comprising selecting one or more advertisements for authoring on the physical medium (see column 7, lines 35-40).

As per claim 31, Abecassis teaches:

The method of claim 26, further comprising allowing an advertiser to register an advertisement (see column 36, lines 60-67).

As per claim 32, Abecassis teaches:

The method of claim 31, further comprising allowing the advertiser to establish a price for subsidizing a media selection (see column 47, line 30 – column 48, line 60).

As per claim 33, Abecassis teaches:

The method of claim 26, wherein demographic or personal information of the remote user is compiled by a commerce engine. (see column 39, lines 1-9)

As per claim 34, Abecassis teaches:

The method of claim 26, wherein the selected media is manipulated, rearranged, or altered by the remote user (see column 46, lines 6-36).

As per claim 35, Abecassis teaches:

The method of claim 26, wherein the selected media further comprises content provided by the remote user (see column 47, lines 55-67).

As per claim 36, Abecassis teaches:

The method of claim 26, further comprising offering the remote user the ability to create a personalized unique results table identifying special interests that comprise a personalized profile (see column 13, lines 32-67; column 22, lines 34-44).

As per claim 37, Abecassis teaches:

A media delivery system comprising:

a database storing digital format of media;

a virtual storefront on a network enabling a selection of media stored in said database; and

a fulfillment center for orchestrating delivery of a media selection, wherein the digital format of the media is transferred to a physical medium. The same rejection applied to claim 25 is applied to claim 37.

As per claim 38, Abecassis teaches:

The media delivery system of claim 37, wherein delivery of the media selection occurs through a broadband video delivery engine (see column 7, lines 35-42).

As per claim 39, Abecassis teaches:

The media delivery system of claim 38, wherein media selection through the broadband video delivery engine is transferred to one or more electronic devices for playback, recording, or manipulation (see column 13, lines 59-67; column 40, lines 25-31).

As per claim 40, Abecassis teaches:

The media delivery system of claim 37, wherein the database further comprises proxy versions of media, wherein a remote user can preview the media selection (see column 40, lines 25-31).

As per claim 41, Abecassis teaches:

The media delivery system of claim 37, further comprising a filter page, the filter page managing a network of virtual storefronts providing niche categories for the selection of media and advertisement by the remote user (see column 15, lines 55-67).

As per claim 42, Abecassis teaches:

The media delivery system of claim 41, wherein the filter page connects into the network of virtual storefronts to enable media selection within each niche category (see column 9, lines 39-50).

As per claim 43, Abecassis teaches:

The media delivery system of claim 37, further comprising an authoring system for authoring the selected media and advertisement onto a physical medium (see column 7, lines 35-40).

As per claim 44, Abecassis teaches:

An advertising method comprising the steps of:

selecting media via a network, wherein media selection is performed by a remote user (see column 47, lines 30-67);

presenting a selection of at least one advertisement to the remote user (see column 47, lines 30-67);

offering the at least one advertisement to the remote user to be included in the media selection (see column 47, lines 30-67); and

discounting the purchase price of the media selection based upon the at least one advertisement selected (see column 47, line 30 – column 48, line 60).

As per claim 45, Abecassis teaches:

The method of claim 44, wherein the at least one advertisement is targeted to the media selection of the remote user on demographic or personal information compiled about the remote user (see column 3, lines 1-12).

As per claim 46, Abecassis teaches:

A method of providing advertising for customized media, the method comprising offering a plurality of advertisements to owners of media or content to provide advertisers with a forum for a promotional campaign surrounding the media or content, wherein the media or content owners have the ability to select from the plurality of advertisements to offset costs of marketing and promotions for the media or content (see column 36, lines 26-36; column 37, lines 11-22).

Conclusion

4. Any inquiry concerning this communication or earlier communications from the examiner should be directed to DANIEL LASTRA whose telephone number is 703-306-5933. The examiner can normally be reached on 9:30-6:00.

If attempts to reach the examiner by telephone are unsuccessful, the examiner's supervisor, ERIC W STAMBER can be reached on 703-305-8469. The fax phone

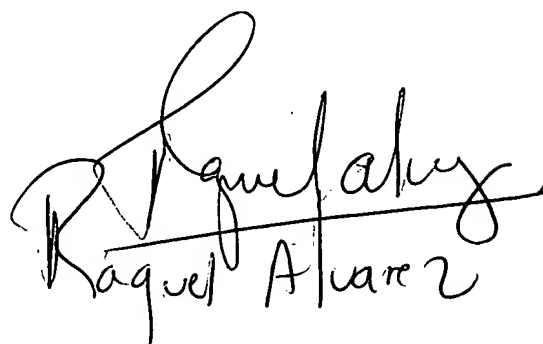
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number for the organization where this application or proceeding is assigned is 703-872-9306.

Information regarding the status of an application may be obtained from the Patent Application Information Retrieval (PAIR) system. Status information for published applications may be obtained from either Private PAIR or Public PAIR. Status information for unpublished applications is available through Private PAIR only. For more information about the PAIR system, see <http://pair-direct.uspto.gov>. Should you have questions on access to the Private PAIR system, contact the Electronic Business Center (EBC) at 866-217-9197 (toll-free).

DL

Daniel Lastra
December 6, 2004


Raquel Alvarez
Primary Examiner
AU 3622